1 P.

G. R. S. IX-5]

Previous references.

1916-17
(S. Vol)

File No. 43-C

Serial Nos. 1-3

Later references.

G # 224-1918: 1-B

P=26
E

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-3

Part B for August 1917

SUBJECT.

Proposal to permit insured persons to assign to endowments the amount of assurance secured for more than 10 p.c. of the pay contributed as optional premium.

S.G.3. G. No. 10084-5 dated 27-8-1917:
Approves of the above proposal -

W D 88—GPB—50,000—24-7-16

Dr. Rajendra's reminder
11-12-1917.

G. R. S. 11] 191 6.-17

GENERAL AND REVENUE SECRETARIAT.

(Finance

NOTES.

C. 7. File No. 43-16

FILE HEADING.

Compulsory insurance for charitable endowments.

From

Mr. H. T. Hammenger

No. Letter Dated 13.12.16 Received 20-12-16

Diary No. 1359 Enclos. 1 Spare Copies. Serial No. 1

BRIEF ABSTRACT OF LETTER.

Forwards for consideration a scheme of insurance for purposes of charitable endowments.

NOTES AND ORDERS.

The disposal of this paper was delayed pending receipt of the insurance Commissioner's remarks

15 22/3

(1) The introduction of tables (1) Compulsorily on the policy holders of state life Insurance scheme with a view to endow charities is perhaps an impracticable proceedure.

NOTES—First Sheet.

1359

G. R. S. 12]

General and Revenue Secretariat. | C. J. File No. 43 of 1916

Serial No.

2) Compulsory charity no doubt exists in certain caste guilds in the Madras Presidency - such as the Nattukottai chetti community whereby a portion of the trade profits is devoted for charity allowed by the community.

3) There is however obviously no analogy between such caste guilds & the State Life Insurance scheme.

4) As it is the rules in the State Scheme does not allow the endowment of bonus outside the narrowest limits of the family - in fact the wife & children come before the parents of a policy holder. Some relaxation of the rules allowing of assignments of policy outside these limits - at least a definite portion of it - may be considered.

24/12

GPB—70,000—17-12-15

WD 1233—GPB—60,000—1-12-16—S.

1359+2057

G. R. S. III-2]

General and Revenue Secretariat. | G 7 File No. 43 of 1916.

Serial No. 2

From the Secy Insurance Committee
No 7817 dt 1-3-17

Forwards for orders of Govt resolution of the Committee on the Karaima Iyengars' proposal allowing insured persons to assign any endowment they wish to make - the amount of assurance secured for more than 10 p.c. of the pay contributed as optional premium.

2) The resolution as it stands need not necessarily refer to charitable endowments. Under it there is scope for making nominations outside the narrow limits of family recognised by Govt - at least outside the compulsory savings insisted on as a condition of service. This is a great concession.

19/3 Hon 3) Please put up the file under which assignments of Stock Life Insurance policies are prohibited - They are not even allowable by Civil Courts. Com. HS
There has been considerable 19.3.17
correspondence -

4) Papers relating to the passing of Regln VI of 1901 on the subject are put up & noted (vide file linked herewith)

22/3 Hon

GEN. & REV. SECRETARIAT
III
JUDICIAL
21 MAR 1917

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

General and Revenue Secretariat. | File No. 43 of 1916.

Serial No.

(9) As printed ~~in the~~ and in the opinion note the Committee's resolution goes beyond the recommendation of Mr. Narayana Iyengar, in that permission is sought on behalf of an insured to empower him to assign the bonus payable in respect of the optional premium to any endowment, charitable or other.

(8) There appears to be no objection to the Committee's recommendation being sanctioned, viewing it as a general principle. For according to the original intention of Govt. the bonus due in respect of the compulsory premium is left untouched & the taxing provision is unaffected. If the assured insures his life with any company other than ~~in~~ the State he can assign it to any body and in any manner he pleases. Why then shd his powers be limited when he chooses to insure with Govt. at his own option.

(10) But the point for consideration is the legal aspect. Under the law as it stands the entire bonus payable is unattachable. It cannot also be assigned & the insured if Govt. agree to the Committee's recommendation the law has to be modified. ~~by~~ ~~permitting~~ ~~the~~ ~~assured~~ And in ~~doing~~ allowing the insured to assign a portion of the bonus ~~in favour of any one~~ is it possible to limit the

(11) Why not? Is not nomination, assignment?

NOTE—Contn. sheet.

Serial No.

scope of the assignment to cases of endorsement only. And when such permission is accorded Cannot a person who has obtained advance against the insured attach the portion of the bonus in respect of which the insured has power of alienation by assignment. It would be well to discuss the legal aspect of the question. May Br III be consulted? If they)

18
22-3-1917

(12) Of course not. DR 8/4

Pers 1445-16.

(13) Consult Br III

M 8/4/17

18 16/4/17.

GEN. & REVT. SECRETARIAT JUDICIAL 11 APR 1917

(14) Subd. Br II for kindly putting up an up to date copy of the Insurance Rules

15 copy of the rules put up 26/4/17

16 Subd 24/4

Subd.

17) Rule 23 of the rules dealing with nomination does not restrict nomination only to the wife & children or other relative of the insured, though it requires that the nomination should be approved. Therefore there will be no legal

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

Serial No.

difficulty in permitting the insured to nominate ~~any~~ the trustees of any endowment ~~as the persons entitled to get the amount~~ for any specified portion of the amount covered by the policy. But an assignment cannot be made as such an assignment cannot be enforced against the legal heirs.

4/5/17 Vdl

16) Under S 60 of the Civil Procedure Code any moneys payable or paid ~~to~~ to an officer who has insured his life under the rules in force is exempt from attachment. The term "moneys" has not been defined in the Rules, and cannot be held to be restricted to that payable only under the compulsory insurance.

19) There is no provision for assignment in the rules now and it is apparently prohibited (vide Rule 23). Assignment is a transfer inter vivos whereas nomination is a kind of testamentary disposition. Nomination would have no effect if the insured should die after he completes his 55

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat. | G 2 File No. 43 of 1916.

Serial No.

Camp no. 1.

23) There is no legal objection to the adoption of the Insurance Com^ee's proposed amendment. If the principle involved in the amendment is accepted suitable alterations may be made in the Insurance rule. The amendment is only of a permissive character.

(Camp) Mysore 1.6.17

Sd Parabavanigha
for A.G.

23a) Put up draft- sanctioning the Committee's proposal to facilitate dispatch.

18
3/6/17.

24) Draft submitted
Mr.
1/6/17

Returned. 24) 18
8/6/17

M 5/7 18

1st member
I concur - 25) I agree. But the word seems to me to be important enough to be treated as a schedule and should be included in the three members of M^r. Lobo

370/17.7.17 186/16.7.

WD 1233—GPB—60,000—1-12-16—S.

2057

9

G. R. S. III-2

General and Revenue Secretariat.

57 File No. 43 of 1916.

Serial No.

with permission of the Secretary, Legislative Council.

16/7/17. 18/7/17

26) The subject may be approved at a meeting of Council. 25.7.17 dlo

1825/2

Subsequent.

NOTE—Contn. sheet.

P.T.O.

(10

27) Extract from the Proceedings of the 426th Meeting of the Council 10
of His Highness the Maharaja, held at Bangalore,
on the 9th August 19 17

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7. Subject.-Clause viii of the Schedule.

27 Question of permitting insured persons to assign to any endowment they wish to make the amount of Assurance secured for more than 10 per cent. of their pay, contributed as optional premium.

OPINION OF THE COUNCIL.

28 The proposal may be approved.

Sd. M. Visvesvaraya,
Dewan of Mysore.

29.

"EXTRACT"

Dr M. Narayana Rao 10/X

Secretary to Government,
General Department.

WD—156—GPB—1,000—19-7-16.

G. R. S. 12]

General and Revenue Secretariat. 97 File No. 43 of 1916 4

Serial No.

30) Extract from the Proceedings of the Council is put up. Forwarded with compliments to the Secretary to Government, Financial Department, for favour of necessary further action.

By Order

D. M. Narayana Rao 10/8

Secretary to Government,
General Department,

A/s

34) D.F.N & D.S.N

M
11.8.17 15/8

Send D.F.N & D.S.N again
M
12/8

35) (8th member) like D.F.N.

K
4/8/17

For the complete
Hon'ble Judge
note

35) C&G's
cases

35) 16/8
Fair final note signed by the 8th member
is put up.

663
17-8

D
16/8/17 Devan). D.S.N. K
17/8

97)
17.8.17

NOTE—Contn. sheet.

W D 2382—GPB—500—20-3-16

Final Note by the First Member of Council.

Subject:—

Proposal to permit insured persons to assign to endowments the amount of assurance secured for more than 10 per cent of the pay.

G

Paper under discussion

Key B

The Mysore State Life Insurance Committee having approved of the proposal made by Professor M.T.Narain Iyengar, M.A. regarding the desirability of permitting persons to assign a portion of their bonus to charitable endowments, recommended to Government that insured persons may be permitted to assign to any endowment they may wish to make the amount of Assurance secured for more than 10 per cent of their pay contributed as optional premium.

Page 8 of Office Notes

The Government Advocate who was consulted on the legal aspects of the case stated that there was no legal objection to the adoption of the Insurance Committee's proposed amendment.

Draft for approval

While agreeing to the draft order approving of the Committee's recommendation put up for approval by the Financial Secretary I observed that the subject was important enough to be treated as scheduled and circulated to Members of Government, if the Dewan had no objection.

Page 8 of Office Notes

Page 10 of —do—

The matter was considered in Council.

The resolution of the Council agreeing to the Insurance Committee's proposal and the draft order sanctioning the same may graciously be approved.

M. Rangachariar

16th Aug 1917

Submitted to His Highness.

A

36 I submit herewith a Final Note by the First Member of Council on the subject of permitting Insured persons to assign to endowments the amount of assurance secured for more than 10 per cent of their pay contributed as optional premium, for His Highness' gracious approval.

M. Visvesvaraya

20th Aug 1917.

NR

P.D.O

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

S. F File No. 43 of 1916.

Serial No.	

NOTE—Contn. sheet.

Bangalore
13. 12. 1916

My dear Mr. Chakravarti,

The enclosed is a paper I sent to the Economic Journal for publication a few days back. I thought of sending a copy to you at the same time, but the surplus copies had been misplaced & were recovered only yesterday.

You will see that my suggestion is somewhat novel. If you are disposed to take it up, I shall consider myself amply rewarded.

your expert knowledge of the details of the Life Assurance Scheme may suggest to you the best way to evolve a workable & acceptable proposal out of this crude idea of mine.

With kind regards

I am

Yours sincerely

M. V. Ramaswamy

GEN. & REV. SECT.
20 ...
D 1359
C.F. 43-16
Sec. 1

"STATE INSURANCE AND CHARITY"

"Charity begins at home; but should not end there".

The Government of Mysore have amply recognized the force and justice of the above maxim as regards the former half in having initiated the State Life Insurance schemes for the benefit of the people both official and non-official. These shhemes include provision for Endowments in behalf of dependents of the Insured which are reported to form an increasing majority of the policies taken out by the insuring public. The object of the present note is to emphasize the claims of the latter half of the maxim on the attention of the Government and the public.

"He who gives in charity lends to GOD"; so that charity may be regarded as an economic investment, no less than Banking etc. Provision for one's own family and dependents is the first duty imposed on every individual and insisted upon as a condition of service in all civilized countries. This is home charity. Endowments for benevolent purposes have likewise been appreciated and encouraged by all Governments from time immemorial as - - - evidenced by special legislature and facilities for their safe custody and managements. But their title to take rank with State (Aided) organizations has not nitherto been recognized and no definite Scheme of Endowments has been put forward by any Government till now. The Mysore State (which is one of the "ADVANCED" states in India) may well take the lead in originating such a Scheme in connection with its Life Insurance Department.

The Indian, accustomed to the musti dole of rice, requires no preaching to inculcate in him the habit of giving away in charity. To him it is a sacred duty, as inviolable as the daily "Sandhya". But organized forms of charity, like the philanthropic societies of the West with vast fund capital, are uncommon as indigenous institutions among us. The poverty of the country and consequent scarcity of philanthropists of the type of Carnegie

are obvious reasons for this defect. The best type of charity suited to the tastes, habits and economic conditions of the people seems thus to be Endowment Insurance with its small periodical investments. With some slight concessions this form of Insurance may be expected to prove a very prolific means of founding big charities in the State. The "Method of Work" is quite simple. Every official who insures his life under the State Life Insurace Scheme is required to pay 10 per cent of his pay, as premium, for family provision. The justice of this demand is unquestionable. Let the State insist upon a further provision for charitable purposes to the extent of one-tenth of the family provision. This would mean a monthly additional premium of one per cent. No reasonable objection can be raised against such a course. The Shastras enjoin much more than this. (The State simply insists on the one per cent premium by way of charity; but, the details of the actual shape of the charity, etc, will be left to the donor.) A similar procedure may be followed in the case of the non-official insured.

Special inducements to popularize the movement ~~may~~ may take the form of reduction of premia and raising of the maximum limit of policies. That is to say, the monthly premia in the published tables may be subjected to a reduction (from 25 to 50 per cent) in the case of charitable endowments; the maximum limit of a policy may, at the same time, be raised from Rs 5000/- to Rs 10,000 or so, in such cases. The variation of the scale of reduction is intended to cover cases of charities which may benefit only particular sections or communities instead of the general public. For instance, Educational Endowments - - - (including those that pertain to Universities, Schools, Scholarships &c.), Religious Endowments (such as those pertaining to Temples , Mutts etc) and Social Endowments (Hospitals, Humane societies, etc.) require differential treatment according to the degree of popularity they command.

The foregoing remarks apply to compulsory charitable endowments in whose favour STATE AID is deemed necessary. Similar concessions may be allowed in the case of "Voluntary Endowments also; and very liberal endowments (Rs. 20,000 and upwards) may be singled out for special marks of Royal approbation as occasions arise.

Some statistics may not be out of place in support of our contention. The following facts and figures taken from the Dewan's Address to the last Dasara Representative Assembly (Part II, p.3) go to prove that a very large sum can be made available for many a charitable undertaking by the imposition of the one per cent tax© advocated above.

The financial position of State Life Insurance on the 1st of July 1916 was:--

		Rs	a.	p.	Rs	a.	p.
Opening Balance on 1st July 1915;-					32,63,062-	15-	10.
Receipts.							
1. Premia etc.	..	3,74,665	3	0			
2. Interest	..	1,17,838	10	1	4,92,503-	13-	1
Total	..	4,92,503	13	1	37,55,566-	12-	11
EXPENDITURE. - - - - -					1,42,092-	1-	6
Closing Balance on 30th June 1916 -					36,13,474-	11-	5

Recently there was talk of an Income tax for Educational purposes which met with strong opposition in several quarters. But, this tax, on the contrary, is sure to be welcomed by the discerning public.

The receipt of nearly three and three-fourths lacs from premia shows that the value of the current policies may be roughly estimated at 30 X $3\frac{3}{4}$ = $112\frac{1}{2}$ lacs, calculating at the rate of Rs 1000 for premium of Rs $33\frac{1}{3}$. This means that under the proposed scheme one-tenth of this amount or $11\frac{1}{4}$ lacs may be realized as charitable endowments on the existing policies alone The prospective contributions from the Public Branch Insurance may be taken as equal to this amount, considering the wider range of its operations; there is also the annual addition owing to natural expansion of the official and non-official schemes with time. Thus, in all, the endowments from the suggested source may in the near future swell to some £5 or 30 lacs. @

The central idea in this note is State intervention in support of organized charities by means of endowment policies. If the outline is approved, the details of the working may be elaborated by a special Committee of experts in the Financial Department of the State.

@ Contrast with this the endowments for Charitable - - - purposes on the 30th June 1916, viz, 6.39 lacs.
(Dewan's Address, Part I, p (iii), under "LIABILITIES"

D 2057
G.F. 43 16
Sc 2 D137

W.D. 0307—GPB—200—22-6-16

M. S. L. I.
O. 20

GEN. & REV. 3 MAR 1917

No. 7817
Enc. 1

OFFICE OF THE SECRETARY,
MYSORE STATE LIFE INSURANCE COMMITTEE,

Bangalore, dated...1st March.....1917.

FROM

M. N. Krishna Rao Esq., B.A.,
~~Rajamantrapravina Diwan Bahadur~~
~~J. S. Chakravarti, Esq., M.A., F.R.A.S., etc.,~~
Secretary, Mysore State Life Insurance Committee,
Bangalore.

To

Rajamantrapravina Diwan Bahadur

J. S. Chakravarti Esq., M.A., F.R.A.S., Etc.,

Financial Secretary to the Government of His Highness

the Maharaja of Mysore, B A N G A L O R E.

SIR,

I have the honor to submit herewith a copy of Resolution No.2 (iii) passed at the Meeting of the Mysore State Life Insurance Committee held on the 23rd January 1917, and request you to be so good as to obtain the early orders of Government thereon.

I have the honor to be,

S i r,

Your most obedient servant,

M. N. Krishna Rao
Secretary,
Insurance Committee.

SCR/1-3

INSURANCE.

EXTRACT FROM THE PROCEEDINGS OF THE 2nd QUARTERLY MEETING OF THE MYSORE STATE LIFE INSURANCE COMMITTEE HELD ON THE 23rd JANUARY 1917.

2.

(iii) Office Memorandum dated 13-12-1916 bringing to notice the suggestion of Professor - M.T.Narain Iyengar, M.A., regarding Charitable Endowments by means of State Life Insurance.

Resolved that Insured persons may be permitted to assign to any endowment they wish to make the amount of Assurance secured for more than 10% of their pay contributed as Optional Premium.

NOTE:-i) The sanction of Government may be obtained to this resolution if necessary.

ii) A copy of this resolution may be sent to Mr.M.T.Narain Iyengar for information.

x x x x x x x

SCR/

S. Bhashyam Ayy
Jt Secy.
1st March 1917

Assignment to any Endowment of Bonus.

No. Fl. 1004-5—G. F. 43-16-3, dated 27th August 1917.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

GENERAL AND REVENUE DEPARTMENTS.

READ—

Letter No. 7817, dated 1st March 1917, from the Secretary, Insurance Committee, forwarding for orders the marginally noted resolution passed at the meeting of the Committee held on 23rd January 1917.

Resolved that insured persons may be permitted to assign to any endowment they wish to make the amount of Assurance secured for more than 10 per cent of their pay contributed as optional premium.

Order No. Fl. 1004-5—G. F. 43-16-3, dated 27th August 1917.

The resolution of the Committee is approved.

J. S. CHAKRAVARTI,
Financial Secy. to Govt.

To—The Secretary, Insurance Committee
The Comptroller, Mysore Government.

Exd.—C. R.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. Fl. 1004-5—G. F. 43-16-3, dated 27th August 1917.

Assignment to any Endowment of Bonus.

Approves of ——, secured for more than 10 per cent of the pay contributed as optional premium.

W D 600—GPB—19-9-17—300

Fr 1892

Translated
12/9/17.

G.R.S. 28]

8

File No. 43/16
Serial No. 3

Diary No. of letter replied to 2057

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT.
(G 2)

, *the* 191 .

READ—

Letter No 7817 dt 1-3-17 from the Secy Insurance Committee forwarding for orders the marginally noted resolution passed at the meeting of the committee held on 23rd January 1917.

Date of issue 27.8.17

Signed by Mr. B. Krishnayya

ORDER THEREON. No. X 1004-5 order thereon.

The resolution of the

over.

Resolved that insured persons may be permitted to assign to any endowment they wish to make the amount of Assurance secured for more than 10 p.c of their pay contributed as optional Premiums.

SUBJECT.

GPB—50,000—1-12-12

matter is approved

16/7/17

18/8/17

To H Secy 18/8/17

This may be printed

~~Forwarded to Govt~~

~~Despatch of Press~~

To the Secy Lunacy Commission

" Comptroller

" Capt H. 1008 dy 17/7/17

" M. T. Nawa Lyengar Esq. MA

Professor, Cuttack college Bihar with reference to his letter dy 13.12.1916 —

Thanked?

S. O

18
24/8